

STATE OF WISCONSIN  
**Assembly Journal**

November 1987 Special Session

WEDNESDAY, December 23, 1987

The chief clerk makes the following entries under the above date:

GOVERNOR'S VETO MESSAGE

December 22, 1987

To the Honorable Members of the Assembly:

**Special Session Assembly Bill 1** makes substantial changes in eligibility for Tax Year 1987 Homestead and Farmland Tax Credits. The Department of Revenue estimates the cost of these changes at \$22.6 million for Fiscal Year 1988. I am vetoing this bill in its entirety because it is unaffordable.

On November 16, I vetoed AB 677 which made these same changes for Tax Year 1987 and additional changes for Tax Year 1988. I indicated then that these changes were too costly. In view of the high level of interest in the Legislature in increasing these credits above current levels for Tax Year 1987, I proposed an alternative bill providing less costly increases. I stated at that time that I did not consider it prudent to approve greater expansion of these programs than I was proposing.

I believe I proposed a reasonable compromise. I am disappointed that the Legislature did not accept that compromise but passed a more expensive measure. At the time I proposed my bill, I felt it was as much as the state could possibly afford. Since then, the Department of Revenue has informed me that, due to national economic circumstances, it is reestimating state revenues for the biennium at \$43 million less than the revenues projected in the budget. Under such circumstances, I simply cannot justify accepting increases in the Homestead and Farmland Tax Credits at this time.

These programs help to relieve the property tax burden for low-income households and for many of the state's hard-pressed farmers. Under current law, expenditures for FY 1988 for these two credits are projected at \$143 million, slightly above last year's level of \$138 million. This amount of money represents a substantial commitment on the part of the state to provide property tax relief for those most adversely affected by high property tax bills. Though I must veto any increases in these credits at this time because of the state's fiscal situation, current law benefits to claimants will still be substantial.

Respectfully submitted,  
TOMMY G. THOMPSON  
Governor

GOVERNOR'S VETO MESSAGE

December 22, 1987

To the Honorable Members of the Assembly:

**Special Session Assembly Bill 2** makes substantial changes in eligibility for Tax Year 1988 Homestead and Farmland Tax Credits. The Department of Revenue estimates the cost of these changes at \$39.9 million for Fiscal Year 1989 when the changes included in SSAB 1 in treatment of household income and of preservation agreements for the Farmland Credit are factored in. I am vetoing this bill in its entirety because it is unaffordable.

When I vetoed AB 677, I proposed a compromise for a one-step increase in the formula factors for Homestead and Farmland Credits. This bill provides second step increases which I regard as unacceptable. Decisions for Tax Year 1988 benefits payable in Fiscal Year 1989 should be made in the context of the FY 89 annual budget. In addition, as I point out in my veto message for SSAB 1, the state's fiscal situation simply does not permit new expenditures of this magnitude.

Respectfully submitted,  
TOMMY G. THOMPSON  
Governor

VETO REFERRALS

**Assembly Bill 1, November 1987 Special Session**

Relating to eligibility for farmland preservation agreements, to the homestead credit formula and to the farmland preservation credit.

By committee on Rules.  
To committee on Rules.

**Assembly Bill 2, November 1987 Special Session**

Relating to the homestead credit formula and the farmland preservation credit.

By committee on Rules.  
To committee on Rules.